GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2946
ANSWERED ON:10.08.2001
EXEMPTION GIVEN BY SEBI FOR PUBLIC ISSUE
RAMJI MANJHI

Will the Minister of FINANCE be pleased to state:

(a) whether SEBI has exempted public and private sector banks from fulfilling eligibility norms in order to come out with public issues;

(b) if so, the reasons therefor;

(c) whether there is any proposal to review the above decision of SEBI;

(d) the recommendations made by J. R. Verma Committee for risk containment measures for derivative tradings;

(e) whether these recommendations have been accepted by SEBI and are being implemented; and

(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) : Yes, Sir.

(b) Commercial banks in the private and public sector are subject to the regulatory jurisdiction of the Reserve Bank of India (RBI). Pursuant to a suggestion from RBI, in 1996, SEBI exempted public and private sector banks from fulfilling eligibility norms for public issues, namely the requirement of track record of dividend payment for at least three years out of the immediately preceding five years.

(c) :No, Sir.

(d) The main recommendations of the J.R. Varma Committee on risk containment measures for stock index futures markets include methodology for initial margin computation and margin collection, specification of liquid worth and exposure limits of clearing members and position limits.

(e) Yes, Sir.

(f) Does not arise.